

CORN PRODUCTION

COSTS AND RETURNS 1997 - 1998

ITEM	UNITED STATES		HEARTLAND		EASTERN UPLANDS	
	1997	1998	1997	1998	1997	1998
Gross value of production	Dollars Per Planted Acre					
(excluding direct Government payments):						
Primary product: Corn grain	327.60	259.76	340.00	275.04	277.44	241.68
Secondary product: Corn silage	3.77	3.12	1.73	1.33	0.00	0.00
Total, gross value of production	\$331.37	\$262.88	\$341.73	\$276.37	\$277.44	\$241.68
Operating costs:						
Seed	28.71	30.02	29.39	31.07	22.07	22.93
Fertilizer, lime, and gypsum	46.21	41.44	49.27	44.36	57.40	51.85
Soil conditioners	0.16	0.16	0.10	0.10	1.62	1.66
Manure	0.56	0.51	0.41	0.39	0.51	0.48
Chemicals	26.87	27.36	27.97	28.69	30.31	31.63
Custom operations ^{1/}	11.30	11.29	10.58	10.70	6.37	6.43
Fuel, lube, and electricity	24.55	22.96	22.16	20.76	17.56	16.27
Repairs	16.17	16.65	14.64	15.14	14.51	15.44
Other variable cash expenses ^{2/}	0.32	0.31	0.00	0.00	0.00	0.00
Interest on operating capital	3.96	3.61	3.95	3.62	3.85	3.52
Total, operating costs	\$158.81	\$154.31	\$158.47	\$154.83	\$154.20	\$150.21
Allocated overhead:						
Hired labor	3.07	3.19	2.17	2.27	2.59	2.75
Opportunity cost of unpaid labor	29.89	30.63	29.29	30.14	55.19	57.54
Capital recovery of machinery and	64.50	66.46	61.52	63.67	66.13	70.40
Opportunity cost of land (rental rate)	84.81	86.35	95.40	97.17	47.73	43.55
Taxes and insurance	7.00	7.05	6.32	6.38	6.71	6.79
General farm overhead	12.21	11.47	12.22	11.49	11.95	11.29
Total, allocated overhead	\$201.48	\$205.15	\$206.92	\$211.12	\$190.30	\$192.32
Total, costs listed	\$360.29	\$359.46	\$365.39	\$365.95	\$344.50	\$342.53
Value of production less total costs listed	-28.92	-96.58	-23.66	-89.58	-67.06	-100.85
Value of production less operating costs	172.56	108.57	183.26	121.54	123.24	91.47
Supporting information:						
Yield (bushels per planted acre)	130	136	136	144	102	114
Price (dollars per bushel at harvest)	2.52	1.91	2.50	1.91	2.72	2.12
Enterprise size (planted acres) ^{3/}	189	189	223	223	42	42
Production practices: ^{3/}						
Irrigated (percent)	15	15	6	9	0	0
Dryland (percent)	85	85	94	94	100	100

The costs and returns estimates for some commodities will appear different this year than in the past. For corn, soybeans, cotton, grain sorghum, peanuts, and cow-calf enterprises, Economic Research Service is revising its accounting methodology to conform with the new stands recommended by the American Agricultural Economics Association (AAEA) Task Force on Commodity Costs and Returns. For these same commodities, ERS is publishing regional estimates using new resource regions. Western Kentucky is considered Heartland while eastern Kentucky is included in Eastern Uplands. ^{1/}Cost of custom operations, technical services and commercial drying. ^{2/}Cost of purchased irrigation water. ^{3/}For 1997 survey base year only.